GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

The Fourteenth Finance Commission (FFC)grants to Panchayat Raj Institutions – Guidelines for release and utilization of grants – Orders – Issued.

PANCHAYAT RAJ AND RURAL DEVELOPMENT (PTS.II) DEPARTMENT

G.O.Ms.No.3 Dated 18.01.2016
Read the following

1. Letter No. 13(32)FFC/FCD/2015-16, Dated 8-10-2015 from the Director, Finance Commission Division, GoI, Ministry of Finance, New Delhi.
2. Letter No. 2878/CPR&RD/HD/H1/2014 Dated 19-11-2015 from the Commissioner, PR&RD, AP, Hyderabad.

ORDER:

The Fourteenth Finance Commission recommended Rs. 8,654.09 crores to the Rural Local Bodies i.e. Gram Panchayats in Andhra Pradesh, for the entire commission period from 2015-16 to 2019-20 . The grants are two parts namely (i) Basic grants and (ii) Performance grants. Year-wise allocated grants are as detailed below.

(Rs in crores)

	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20
Basic grants	934.34	1,293.75	1,494.81	1,729.23	2,336.56	7,788.68
Performance grants	0	169.70	192.04	218.09	285.57	865.41
Total	934.34	1,463.45	1,686.85	1,947.32	2,622.13	8,654.09

2. The Basic grants will be released by the GoI in two instalments in a year on furnishing Utilization Certificate for the grants last released. These basic grant should not be incurred except on basic services as provided in the FC report/ guidelines i.e. watersupply,sanitationincludingsepticmanagement,sewerageandsolidwastemanagement,stormwaterdrainage,maintenanceofcommunityassets,maintenanceofroads,footpathsandstreet-lighting,andburialandcremationgrounds.

3. The performance grants will be released by the Govt. of India on fulfillment of conditions prescribed.

4. Government of India in the reference 1st read above have issued detailed Guidelines for release and utilization of grants recommended by the Fourteenth Finance Commission (FFC) for Rural and Urban Local Bodies (Local Body Grants). Keeping in view of the proposal received from the Commissioner, Panchayat Raj and Rural Development, Andhra Pradesh in the reference 2nd read above, Government of Andhra Pradesh is hereby issue the Guidelines for Utilization of Fourteenth Finance Commission (FFC) grants to Gram Panchayats.

GUIDELINES:

Allocation of grants to the Gram Panchayats:

5. The share of each gram panchayat should be distributed across the entities using 2011 population with a weight of 90 per cent and area with a weight of 10 percent.

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Basic Grants:

6. The FFC grants released to the Gram Panchayats, shall be utilized for providing following Basic services in the Gram Panchayats.

1. Maintenance of CPWS Schemes and PWS Schemes. Since CPWS schemes are not under the jurisdiction of GP, maintenance cost of these schemes proportionately fixed by the authorities concerned, should be paid by the Gram Panchayats concerned.

2. Maintenance of sanitation including septic management.

3. Solid and Liquid Waste management.

4. Maintenance and upgradation of internal roads along with drains.

5. Payment of CC charges / LED street lighting including pending bills.

6. Not exceeding 10% of the grant allocated to Gram Panchayat may be utilized for the following Purposes for meeting the cost of the technical and administrative support:

   a. Salary of Accountant cum Data Entry Operator in the computer center of cluster Gram Panchayat (Proportionately charged)

   b. Salary of town Planning & Building Over seer (on outsourcing basis) in each Mandal. The expenditure will be charged proportionately;

   c. Salary/remuneration of technical staff working for O&M of water supply and sanitation;

   d. Remuneration for the GP Development Plan Team and related expenditure for the logistic support for preparation of plan;

   e. Remuneration for Social Audit Team Members and also expenditure for conducting of Gram Sabha;

   f. Purchase of computer and other peripherals for computer center in cluster GP.

PERFORMANCE GRANT:

7. The performance grants will be released from the Financial year 2016-17 on certification of MoPR that the finalized scheme in this regard has been received from the State and it confirms to the recommendations of 14th FC. The following conditions have to be fulfilled to get performance grants.

   (i) The Gram Panchayats will have to submit audited accounts of receiptandexpenditurefor the year not earlier than two years preceding the year in which seeks to claim the performance grant and

   (ii) The Gram Panchayats will have to show an increasein their ownrevenues over the preceding years as reflected in the audited accounts.

8. The performance grants are designed to serve the purpose of ensuring reliable

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audited accounts and date of receipts and expenditure and improvement in Own Source of Revenue(OSR) of Gram Panchayats.

9. The following criteria shall be adopted for release of Performance Grant.

(i) The Gram Panchayats should adopt the model accounting system and upload the data in "PRIA" Software,

(ii) The Gram Panchayats should submit audited accounts that relate to years not earlier than two years preceding the year in which the Gram Panchayat seeks to claim the Performance Grant. For example, for claiming the Performance grant for the year 2016-17, the audited accounts of the year 2014-15 which is approved by the Gram Panchayat shall be submitted.

(iii) There should not be any proved misappropriation of funds in the administration of Gram Panchayats in the audited year.

(iv) Gram Panchayats should conduct 4(four) statutory Gram Sabhas and minutes of the Gram Sabha displayed in the website of the Gram Panchayats i.e., appr.gov.in

(v) The Gram Panchayat concern should collect at least 70% of the total house Tax demand and 70% of the other taxes and non taxes levible under APPR Act for the year 2015-16. The Gram Panchayats should upload the DCB Data in RAPR Website, The Gram Panchayats will have to show an increase in their own revenues over the preceding year as reflected in the audited accounts and preceding financial year.

(vi) Gram Panchayats should upload the data into e-Panchayat applications(Central and State) and update the same on regular basis either with Panchayati Secretaries or with the services taken from Date Entry Operators who are paid from the Gram Panchayat funded as per norms.

(vii) Weightage for allocation of funds under performance grant:

(viii) Allocation among the eligible Gram Panchayats who fulfil the Mandatory criteria as mentioned above will be made based on following weightages indicated below and multiplied with the population of the Gram Panchayat concerned.

S.No	Criteria	Weightages
1	Total Own Source revenue (Taxes and Non Taxes,Contributions)	70%
2	Delivery of Drinking Water services with self-sufficient O&M cost	10%
3	Sanitation Services (regular collection and removal of waste)	10%
4	e-Panchayat and other services	10%

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(VIII) Based on the above criteria, PR&RD Department will decide the quantum of incentive to be given to each Gram Panchayat. In case some amount of the performance grant remains after disbursement to the eligible gram Panchayats, this undisbursed amount should be distributed on an equitable basis among all the eligible gram panchayats. This disbursement of the performance grant have to be notified latest by 31st March of each year. For this year by 31st March 2016.

Preparation of plan and Identification of the requirements of basic amenities.

10. The Commissioner, Panchayat Raj should give instructions to all Gram Panchayats to prepare action plan for 5 years from the year 2015-16 and to prioritize the requirements for implementation every year. Works and amounts should be sanctioned on the basis of priority given by the Gram Panchayats for the yearly allocation.

Release of Funds and Utilization Certificates.

11. Grants will be released in two instalments every year in the month of July and January or after receipt of the grants from Govt. of India on furnishing Utilisation Certificate (UC) in the prescribed format.

12. The Audit Report on the Accounts of Gram Panchayats should furnished to the Commissioner, PR&RE every year before 31st December.

13. The District Panchayat Officer concerned is responsible for proper utilization of 14th Finance Commission grants by the Gram Panchayats and for submission of consolidated utilization Certificate for the District.

14. Orders have already been issued for arrangement of TG&S for audit of Panchayat Raj Institutions (PRIs). The arrangement shall be continued for FFC also.

15. The Commissioner, Panchayat Raj and Rural Development, all the District Collectors, District Panchayat Officers are requested to adhere to these guidelines.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

I.Y.R. KRISHNA RAO
CHIEF SECRETARY TO GOVERNMENT

To

The Commissioner, Panchayat Raj and Rural Development,
Andhra Pradesh, Hyderabad.,
All the District Collectors in the State,
All District Panchayat Officers in the State
The Engineer in Chief [Panchayat Raj], Andhra Pradesh, Hyderabad.
The Chief Engineer (Admn.) O/o the Engineer in Chief, [Rural Water Supply], Andhra Pradesh, Hyderabad
The Director, State Audit, Andhra Pradesh, Hyderabad.
The Director, Treasuries and Accounts, Andhra Pradesh, Hyderabad
The Accountant General, Andhra Pradesh, Hyderabad.

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Copy to:

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The Finance (FC) Department
The Panchayat Raj & Rural Development (Progs./RWS/Mdl.I) Department
The P.S. to Prl. Secretary to Government
S.f./S.c.

// FORWARDED BY ORDER //

SECTION OFFICER